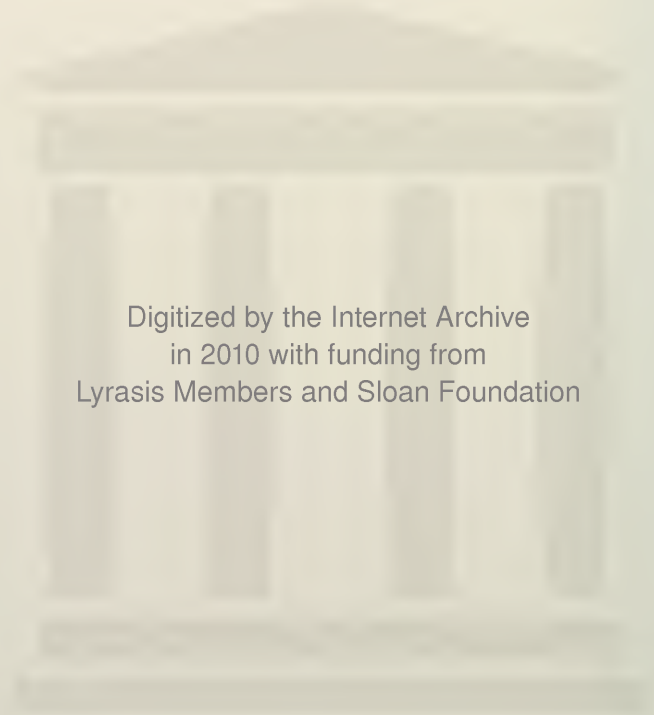

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BY THE SENATE,

JANUARY 3, 1868.

Read and ordered to be printed, (2,500 copies in English and ,500 in German.)

MESSAGE

OF

GOVERNOR SWANN,

TO THE

GENERAL ASSEMBLY

OF

MARYLAND,

AT ITS

Regular Session, January, 1868.

ANNAPOLIS:
WM. THOMPSON OF R., PRINTER.

1868.

MESSAGE.

Fellow-Citizens of the Senate
and House of Delegates:

You have reason to be thankful for the flattering auspices under which you enter upon this the first session of the General Assembly since the adoption of your present Constitution. Power—"always stealing from the many to the few"—has again resumed its sway, in the hands of the people, and our beloved Commonwealth stands to-day, all the more honored, in the firm and manly spirit with which she has steadily persevered in maintaining constitutional liberty, and her co-equal rank, as one of the original thirteen States, by whom this Union was founded. The events of the past twelve months admonish us how indispensable it is, in times of high party excitement, to recur to the true theory upon which this Government was based.

Republican Institutions can only exist by the free will of the people. In utter contempt of this long established and recognized principle, we have seen the most sacred guarantees of the Constitution trampeled upon and ignored; a claim set up by one of the co-ordinate Departments to consolidate all essential powers in its own hands; Provisional Governments, subordinating the civil to the military authority, and virtually placing the Negro over the white man—inaugurated in ten States; and Maryland with her cherished record of patriotism and loyalty, dating from the earliest period of our struggles for independence and freedom, threatened with degradation and the subversion of her Constitution, because of her refusal to recognize the right of Congress to force Negro suffrage and Negro equality upon an unwilling people, and to assume absolute and unlimited supremacy in her domestic concerns. Standing almost solitary and alone in bold and fearless denunciation of these acts of palpable usurpation, repugnant to every instinct of free Government, she hails with pride the endorsement of her orthodoxy in the reaction which has so recently swept like a whirlwind over the land, giving assurance that the spirit of our fathers still guides us in our efforts to preserve unimpaired the sacred inheritance which they have committed to our charge. The occasion seems appropriate that in entering upon the responsible duties which you are about

to assume, I should recur to this prospect of a more healthy era in our national affairs, smoothing the hitherto rugged path of legislation; and the reasonable expectation of more conservative teachings hereafter among those who in their representative capacity, as organs of the heretofore dominant party, have so largely controlled the harmony and well-being of our Republic.

CONDITION OF THE TREASURY—FINANCES.

The total receipts into the Treasury during the fiscal year ending on the 30th September, 1867, amounted to $2,362,876.88, which, added to the balance on hand, made the total aggregate for the year, $2,730,693.24. The disbursements during the same period were $2,573,865.24, leaving a balance on hand of $156,838.00.

The appropriations authorized by the Legislature, at its last session, cannot be accurately stated at this time. These, added to the expenses of the Constitutional Convention, made it impossible to provide within the year, for all the demands upon the Treasury from accruing revenues, and necessarily led to a postponement of a considerable amount, until the present regular meeting of the Legislature, when the Treasury could be reimbursed, and the proper means taken for their prompt liquidation.

In the last Report of the Comptroller, it was stated that the whole amount of the war loan, which had assumed the shape of permanent indebtedness, did not much exceed $500,000, being the amount of bonds negotiated under the authority of the Act of January, 1865. The disbursement for war purposes, made from time to time, from the general receipts, had exceeded $4,000,000, and as no larger resort was had to any of the loans authorized for that purpose, it was expected that aid might be afforded in the use of the defence loan to such extent as would have met the more pressing demands upon the Treasury.

The repeal of the Defence Loan Bill, by the Act of 1867, and the tax authorized for the redemption of bounties, left the Treasury without the power to borrow in aid of the accruing revenues.

The temporary embarrassments of the Treasury were also much increased by a failure of the Mayor and City Council of Baltimore to make any appointment of Commissioners to collect the State taxes in that city, thus greatly retarding the receipts expected from that source.

With a large amount of bounties still outstanding, the repeal of the Act of 1865 seemed to me premature and of doubtful authority; and the opinion of the Attorney General was sought, as to the legality of a sale of an amount of

these Defence Bonds, which had been used as collateral security in providing the means to pay the overdue bounties which had been passed upon by the Comptroller, but which had not been actually negotiated. The repeal of this Act, however, was deemed as prohibitory to the sale of any bonds on this account then in the Treasury, issued under the authority of this act, which had not absolutely passed out of the hands of the State; and the Treasury, up to this time, has been thrown upon the ordinary receipts from revenue, as they have been collected.

While the appropriations of the session of 1867 were more liberal than had been anticipated, or could have been desired in the then condition of the Treasury, they cannot be viewed as varying to any material extent the satisfactory exhibit of the finances made up from official sources, and detailed in the last Message of the Governor to the Legislature.

The whole funded debt of the State is substantially covered by available assets, and the entire increase of our permanent indebtedness since the commencement of the war, including the $100,000 of bonds authorized to be issued in aid of the South, does not exceed $600,000. The decrease in the item of "available assets," caused by the sale of stocks in various banking institutions, is stated at $817,554.66, which has reduced the public indebtedness to that extent.

The final report of the assessment of real and personal property throughout the State shows an aggregate of $495,653,472. This sum is free from all exemptions authorized by the Act of March 21, 1867, ch. 341, and furnishes the basis of levy for the present fiscal year. The large increase is referable to the long period which has elapsed since the date of the former general assessment; the greatly enhanced value of real estate within our borders, and the accumulation of personal assets, showing the steadily improving wealth of our people. No result could be more satisfactory when we take into account the total loss of the large capital invested in slaves before the Proclamation of Emancipation, now no longer an element in this exhibit of the aggregate wealth of the State.

During the past month, by virtue of the authority vested in the Board of Public Works, Art. XII, sec. 3, of the new Constitution, an exchange was effected of eleven hundred thousand dollars of the preferred stock held by the State in the Baltimore and Ohio Rail Road Company, limited to six per cent. dividends for her bonds issued at various times, relieving the State from all liability in the future to the extent of the bonds so cancelled. This transaction was attended with a handsome bonus in the aggregate of bonds exchanged and of annual interest, arising in part from a saving in the transmission of the interest upon the sterling debt.

The proposition to exchange the bonds of the State of Maryland for the preferred stock of the Baltimoare and Ohio Rail Road Company was made prior to the meeting of the Constitutional Convention; but the near approach of that body caused the Board of Public Works to delay action until the subject had been fully discussed and disposed of by the representatives of the people. The continuance of the Board of Public Works, and the renewal of the authority to make this exchange by a decided vote, amounted to an instruction from the Convention upon this subject. The Board having agreed to an exchange of about one-third of the interest of the State in the preferred stock leaves the city and State still in a majority of the Directors of the Baltimore and Ohio Rail Road Company, while it accomplishes a virtual liquidation of upwards of a million of the funded indebtedness of the State.

The Comptroller estimates the probable disbursements of the ensuing fiscal year, without reference to legislative appropriations, at $1,973,000. This does not include certain outstanding appropriations heretofore authorized, and liabilities which ought to be provided for within that period. It seems proper that the Treasury should be at once relieved from all embarrassment in promptly providing for every obligation which the State has incurred. The amount needed to cover all demands which may arise would not be large, and it will be for the General Assembly to determine upon the best mode of affording this relief. A re-enactment of the defense loan, with power to reimburse the Treasury for advances made in payment of bounties, would enable it to go on hereafter, without check, upon the ordinary operations of that Department, and would eventually lead to a large reduction in the rate of taxation

It is of the highest importance that the public debt should be extinguished at the earliest practicable period not inconsistent with a due regard to the interests of the people. This may be accomplished without serious effort, now that the necessity for any large expenditures in the further development of our internal resources has ceased to exist, and the sources of revenue are becoming every year more and more productive. A well regulated economy, steadily persevered in, would lead to this result, without interfering with any interest, and at no very distant period. The financial condition of Maryland is already in advance of most of her sister States; but the power of a State entirely free from debt cannot be too highly estimated, and would be felt in its effect upon immigration, the influx of capital, and the increased vitality which would be imparted to every department of industry. With unsurpassed agricultural, manufacturing and mineral resources, and a climate holding out the strongest inducements, we need only exemption from taxation to com-

plete the blessings which a kind Providence has so liberally bestowed upon us.

The large increase in the assessment of real and personal property, almost double the basis of preceding years, with a moderate tax upon so large a basis, and the curtailment of appropriations which could be advantageously dispensed with, without public inconvenience, would soon extinguish every dollar of indebtedness for which the State is now responsible; and I would strongly urge that in any financial policy which the General Assembly may adopt, this object may be kept steadily in view.

The payments on account of bounties to volunteers, during the fiscal year, have amounted to $335,397.56, and the aggregate from the fiscal year of 1864, to the close of the fiscal year of 1867, to the large sum of $4,196,864.25.

The sum paid out of the Treasury during the fiscal years of 1864, 1865, 1866 and 1867, over and above receipts from the bounty tax, has been $1,832,756.03.

The collection of the State taxes in the City of Baltimore under existing laws, has given rise to considerable embarrassment, and will require prompt correction. These taxes were formerly under the control of the City Collector, and were collected at the City Tax Department, without cost to the State. Under the Act of March 24th, 1865, the Mayor and City Council, or Governor, were authorized to appoint collectors, at such rate of compensation as might be deemed just and reasonable, not to exceed ten per cent. upon the amount of collections. In the event of a failure on the part of the City authorities to appoint these officers, the Governor of the State was empowered to perform this duty. During the fiscal year of 1866, the Mayor and City Council having differed as to the rate of compensation, the appointments were made by the Governor. During the past fiscal year the Mayor declined to make any nominations to the Council, and the books being all in the possession of the City Collector, and in daily use, I was compelled to order a total separation of the State collections from those of the City, and to direct transcripts of the books to be prepared for the use of the collectors appointed by me. The duty was assigned to a number of gentlemen of the highest standing and respectability, who successively declined to act, owing to the serious complications likely to arise, and the heavy responsibility imposed by the existing law. This difficulty, occurring at a time of considerable embarrassment in the finances with the expectation of heavy drafts upon the Treasury, I consulted the Attorney General, in reference to the power of so modifying the law, as to relax the heavy amount of security provided to be given, and to require daily deposits of the taxes collected to be made to the credit of the Treasurer. By this modification of the law, I was enabled to secure the services of the

gentlemen who are now in charge of that department, and I avail myself of this occasion to recognize the alacrity with which they came to the aid of the State, and the promptness and fidelity with which they have discharged their duties. The system so far has worked well, and commends itself to the favorable consideration of your Honorable Body, in any action which you may deem it your duty to take in reference to the future. Under no other circumstances could the taxes due in the City of Baltimore have been collected without recourse to the Legislature, which would have been impracticable at that time, owing to the sitting of the Convention, besides the heavy expense it would have entailed upon the State. I would strongly recommend the continuance of this Bureau, under such regulations as the General Assembly may deem most advisable, and the separation by law of the State collections from those of the City.

A report from these Commissioners, setting forth the difficulties with which they had to contend in re-organizing this Department, is herewith submitted.

On two former occasions I have urged some modification in the oyster laws as due to the protection of our citizens, and involving most important consequences to the State. The products of the Chesapeake Bay, subject to our control, as I have claimed in a former message, are certainly as much the property of the State as any other in which she exercises recognized ownership within her borders. The Comptroller's Report will show how inadequate have been the returns under the operations of our present laws, showing their entire inefficiency in correcting the evils under whieh we have so long suffered. The revenue from this source ought to form an important item in the productive wealth of the State. I deem it unnecessary to do more at this time than recur to the views presented in my former message to your Honorable Body. Our citizens should be protected by just discriminations, and foreigners resorting to our waters, made to pay for the property, which they are daily appropriating to their own use.

The appropriation of one hundred thousand dollars in aid of our suffering brethren of the South, was distributed soon after the adjournment of the Legislature. The Commission have reason to believe that a great deal of suffering was averted by this timely contribution from the State of Maryland. Much credit is due to the members of the Committee for the cordial and efficient manner in which they co-operated with the Executive in discharging this trust, the principal labor devolving on them. We are indebted also to the Secretary of the Navy for the promptness with which Government transports were placed at the disposal of the Commission in facilitating this work of Christian charity and benevolence.

In addition to the State appropriations, more than $25,000

in money and produce were forwarded to the Committee from various parts of the State, to be included in the general distribution.

PUBLIC SCHOOL SYSTEM—EDUCATION.

The most important of all the subjects submitted by the Convention for your action, is the reorganization of the Public School system, which has grown up within the last two years, and is already working results of the most important character to the people of our State. However objectionable in some of its details, it cannot be denied, that as a whole, this system comprises much of which we have reason to be proud, and which the people will be slow to part with, unless something better, more practical, and more efficient, can be substituted. The heavy tax involved in this organization, ought not to be permitted to curtail it of any of its useful features, as it is only the appropriation of a capital which may be expected to make returns more than equivalent to any burden which it is likely to entail. The rich and the poor are alike interested in it. The inquiry, therefore, will be, not whether the State is levying too onerous a tax in maintaining it, but whether the money so levied is judiciously, economically, and properly expended, in developing to the utmost practicable extent the mental capabilities of our youth, by introducing all the aids of modern discovery, and stimulating the widest range of intellectual research. It should be no limited or half-way system. The State of Maryland is amply able to educate her youth, and we should be wanting to ourselves in this age of universal progress, if we permitted any considerations of false economy, to retard the development of a work, which is now going forward with such telling results. The report of the Superintendent of Public Instruction for the year ending June 30th, 1867, being the second year of the uniform system of Free Public Schools, presents the following interesting statistics: Exclusive of the City of Baltimore, there were in operation, for an average period of nine months, 1,279 different schools, under 1,558 teachers, educating 71,060 different children, being an increase of over 6,000 in the number of pupils reported in attendance during the first year. The total cost of the schools in the counties was $436,204.89, being for each different school $341.05, and for each child the sum of $6.14 for the school year.

During the year, 38 houses were erected, 220 repaired, and many furnished. Since June 20th, a large number of school-houses have been contracted for, some of which were finished and occupied during the fall term of the present school year.

The Normal School has continued to provide competent teachers, taken from our own people, and pledged to serve the State as instructors of youth.

It is no part of my purpose to go into the details of this system, or to hazard any fixed opinion in regard to its economical working; that will devolve upon the committee to whom this subject shall be referred. While I am free to recognize the great advantages accruing to the State, I am not prepared to say that the same results might not be arrived at, with some reduction in the aggregate expenditure.

The adoption of proper text books should be carefully guarded, to prevent imposition and extravagance. I have reason to believe, that importunate efforts are constantly being made by persons interested in the book trade to secure the introduction of favorite text-books into our Public Schools. These text-books should be selected by competent judges; made uniform throughout the State, and in all instances kept free from political or sectarian bias. They should also be furnished at standard rates, as at present.

In my connection with this educational system, I feel it my duty to bear witness to the zeal, energy and singleness of purpose with which its operations have been conducted, so far as they have passed under my supervision, both by the Superintendent and School Commissioners. The details of the office in Baltimore will be found well worthy the careful examination of any committee of your Honorable Body who may be charged with the duty of re-organizing this department.

St. John's College has been thoroughly re-established, and has commenced its academic year with flattering prospects of success. The details of the educational system which has been adopted by the Board of Governors offers all that could be compassed in such an Institution, to the youth of our own as well as other States. Under the present able and accomplished presiding officer of the Faculty, it may be expected, at no distant day, to take its stand among the most favored Institutions of the country.

The Agricultural College is also, with the aid extended to it by the Legislature, and the large amount realized from the sale of Agricultural Scrip donated by Congress, in condition to enter upon a new and useful career.

These Institutions are entitled to the fostering care of the State.

MILITIA.

The report of the Adjutant General will show in detail what has been done under the Act to repeal Article 63, Code Public General Laws, relating to Militia, &c., &c.

This act provides that the Governor, as Commander-in-Chief, shall appoint an Inspector General, who, as soon as possible after his appointment, shall "enroll the Militia of this State into companies, batteries, squadrons, regiments, brigades and divisions, and by general and special orders, to make such rules and regulations for their control and discipline, armament and equipment, as may be constitutional and necessary, which rules and regulations shall, so far as practicable, conform to the laws and regulations governing the organizing of the United States volunteer forces, their discipline and equipment, armament and officers, and which rules and regulations shall have the force of law." It further provides, that the Militia of this State shall consist of all able-bodied male citizens between the ages of eighteen and forty-five.

Section 26 provides "that all officers of the Militia shall take, in such manner as the Commander-in-Chief may direct, the following oath or affirmation, before receiving a commission or be qualified to act:

"I do swear (or affirm) that I will bear true allegiance to the State of Maryland, and support the Constitution and Laws thereof, and that I will bear true allegiance to the United States, and support, protect and defend the Constitution and Laws thereof as the supreme law of the land; and I do further swear (or affirm) that I will, to the best of my ability, protect and defend the Union of the United States, and not allow the same to be broken up or dissolved, or the Government thereof to be destroyed under any circumstances, if in my power to prevent it, and that I will at all times discountenance and oppose all political combinations having for their object such dissolution or destruction, so help me God."

This feature of the law, which I have thought it proper to refer to in this connection, has been faithfully complied with by the officers forming the organization, and will furnish a triumphant answer to the base slanders that have been industriously circulated in reference to the disloyal purpose of the Legislature, in the passage of this Act; and which at one time, among those unused to the tricks of partisan malice, had assumed national proportions.

In the enrollment and organization of her Militia, the State of Maryland followed the example of almost every other State in the Union. There was no feature of the existing law in conflict with any law of the Federal Government. She did just what she had the constitutional right to do, and no more. The period at which this Act was passed indicated the necessity for a general enrollment, looking to the unsettled condition of our domestic affairs. Experience had abundantly shown that neither the dignity of the State could be maintained, nor the laws faithfully exe-

cuted, without the existence of an adequate force, subject to the call of the Executive. We have passed through crises, when the whole power of the State was set at defiance. Maryland owed it to herself to exercise promptly this power, conferred by the Federal Constitution, and your Executive lost no time in carrying out the provisions of the Act.

The Inspector General, to whom the duty of enrolling and organizing the Militia was assigned, was appointed and entered upon his duties on the 17th day of April, 1867. The final report had not been made to this Department, when that officer resigned his commission, and removed to another sphere of duty.

The work, now nearly complete, has been performed with energy, promptness and the strictest eye to economy, so far as I can judge. The men have been uniformed and equipped within the limits of the law, and contracts made on time based upon the commutation fund, in the absence of an adequate appropriation by the Legislature. The records of the Adjutant General's office will show, in the minutest detail, with what caution that officer has proceeded in scrutinizing every transaction which has been submitted for the approval of the Executive. Whilst the labor has been immense, the effort may be claimed as a success ; and no State can boast a military organization, as far as it has progressed, more thoroughly equipped, or showing more decided improvement, during the short period within which it has been formed. The beneficial effects of this law are already fully recognized by a large majority of our people, and have paid back tenfold, should it cease with the present Legislature, whatever cost it may have imposed.

The total number of enrolled Militia, with the exception of six districts in Dorchester county, and two in Washington county, amount to 79,655 ; of these 58,921 are enrolled in the National Guard, and 20,734 in the Reserved Militia.

The commutation money collected has been $41,468, and the sum paid to enrolling officers $30.878.

So soon as the preparations are completed to bring the whole force under active military duty, it is believed that one-half of those assigned to the National Guard will fall into the Reserve. The revenue from commutations during the ensuing year, should the existing law be continued, will realize a large amount towards the obligations which have been incurred in organizing this force.

I am satisfied, however, that the process of collecting from commutations, a sufficient sum to cover the original cost of organizing the Militia of the State, will not be as prompt as could be desired, and I would strongly urge that provision be immediately made, for meeting the contracts for arms and clothing which have been entered into by the Military Department, to be reimbursed the State when the collections shall be realized from year to year.

The Militia organizations of many of the States is supported by direct appropriations from the Treasury, and the expenditure for that purpose is fully justified by the people, who take a pride in keeping alive an active military spirit, and promoting, by liberal encouragement, a subjection to law and discipline. The expense of these organizations in the different States will be found in the report of the Adjutant General.

Soon after the authority was given by the Legislature, to reorganize the Militia of this State, I applied, through the Adjutant General, to the War Department, for such quota of arms as might be due to the State, on the books of that Department. No action having been taken by the Secretary of War, after repeated efforts on our part, to get a settlement of this account, a correspondence was opened with General Grant, after Mr. Stanton's retirement from office, but with no better success. Up to this time no reply has been made to the requisition of the Adjutant General; and the quota of arms due to the State of Maryland, under the law of Congress, and standing to her credit on the books of the War Department, is still withheld. The correspondence relating to this subject will accompany the Report of the Adjutant General, and will show the great injustice which has been done in withholding these arms.

On the retirement of the Inspector General, the operations of that office were directed to be continued under the supervision of the Adjutant General, and General Neilson, who had assisted the Inspector General in the work of enrollment. The latter officer was detailed to complete what remained to be done, and to make a final report. This, it is expected, will accompany the Report of the Adjutant General.

In reorganizing the Militia of the State, it became necessary to establish a temporary office in Baltimore, and to order the Adjutant General to duty at that point. So soon as the work of the office will admit of it, that officer will resume his duties at his regular Headquarters in Annapolis.

COMMISSIONER OF IMMIGRATION.

The duties of this office having been assigned to the Commissioner of Labor and Agriculture, under the new Constitution, a final report has been submitted by the officer in charge. The appropriations for the support of this office were so inadequate as to deprive it of much of its usefulness; but the operations of the year will show that much credit is due to Mr. Cole for the activity he has displayed in promoting the work of immigration, and in making known, both at home and abroad, the great advantages of Maryland, both in an agricultural and commercial point of view, as a place

of settlement for foreign immigrants in pursuit of a permanent home, as well as citizens from other States.

The number of foreign immigrants who arrived in Baltimore during the year 1867 was 10,753, an increase of 1,454 over the preceding year. There were 775 who came directly to Baltimore by steam, 9,225 in sailing vessels, and 700 by rail from New York. Of the whole number, 2,263 have settled in this State, having procured employment through the agency of the office of Immigration. They are divided between the city of Baltimore and the counties of Harford, Howard, Carroll, Washington, Allegany, Anne Arundel, Cecil, Calvert, St. Mary's, Prince George's, Queen Anne's and Talbot. The large majority are agriculturists, some of them representing a capital of from $200 to $1,300.

"The plan," says Mr. Cole, "proposed in my last report, of sending an agent to Germany to induce a more general immigration of persons with means sufficient to purchase immediately on their arrival small tracts of land, and thus become permanently identified with us at once, was not carried out, owing to the failure of the General Assembly to provide the means necessary to its accomplishment. The operations were, therefore, confined to making provision for those who came over voluntarily and at the suggestion of numerous Agents of Immigration in Germany, whom I had thoroughly posted in regard to the resources of this State."

DEPARTMENT OF LABOR AND AGRICULTURE.

The provision in the new Constitution creating a Department of Agriculture and Labor, will require the liberal aid of the Legislature to make it effective. When the Bureau of Immigration was first established, my earnest efforts were directed to combine with it certain features which I believed to be important to the agricultural, manufacturing and mining interests of the State. These were not met at the time by the requisite appropriations on the part of the Legislature. The present provision of the Constitution contemplates a general supervision of all the great interests of the State growing out of agriculture and our productive resources, together with the advancement of labor in its various applications.

The location of the Immigration Bureau in Baltimore, the commercial centre of our State, and the collection of specimen agricultural products, together with maps, charts, minerals and other guides, setting forth the advantages of the different sections, where they would be accessible to the inspection of immigrants, strangers and our own citizens who felt interested in such inquiries, formed part of the original immigration plan. It also involved the establishment of

agencies, both at home and abroad, to attract immigration to our State, and to secure it by suitable inducements when brought within our reach. The Bureau of Agriculture and Labor, now to be organized, should embody the same useful features. The Commissioner, besides the general supervision which he would necessarily exercise over the resources of the State, should have assigned to him the requisite assistant and clerical force to carry out the leading objects of public utility to which his attention would be attracted. This Department would comprise:

1. Agriculture and the resources of the State, including the oyster products of the Chesapeake Bay, and the best means for their protection.

2. Immigration, with special reference to the introduction of white labor into the State.

3. Inspection and repairs of public buildings and their general supervision.

These objects incorporated in this new organization, under the immediate direction of the head of the Bureau, with ample assistant clerical force, to enable him to subdivide the labor, would, I am satisfied, be attended with most useful results. The demoralization of Negro labor in many parts of the State, in the lead of men, who under the cloak of charity and philanthropy, are fast hurrying the freedman to his destruction, will make it indispensable that the evil should be corrected by the introduction of a new laboring population of our own race, who could be relied upon to hold in check the constantly varying standard of labor, to which the agriculturalist is now exposed. In directing immigration to our State, there must be active efforts abroad, and at home. It is not doubted, that by proper combinations and concerted efforts among agriculturalists and others throughout the State, with the aid of facilities which might be extended by our steam marine, white labor at reasonable rates, might be introduced wherever it is needed, and could not fail to be in every view profitable to the employer.

I sincerely trust that the Legislature, upon a liberal estimate of the wants of our people, will adopt such efficient measures in carrying out the provisions of the Constitution, in the establishment of the Department of Agriculture and Labor, as may secure all the advantages expected to accrue from it, and conduce largely to the public benefit. The strict enforcement of proper laws for the protection of our interest in the oyster trade alone, as a feature of this Bureau, would make it at once self-sustaining, besides contribute a large revenue to the public Treasury.

MARYLAND PENITENTIARY.

The report of the Directors of the Maryland Penitentiary gives an interesting exhibit of the condition of that Institution.

The expenses of the fiscal year ending on the 30th of November, 1867, have been $106,506.30, being an excess of $23,198.47 over the operations of 1866. The causes of this increase will be satisfactorily explained in the report of the Directors.

There appears against the Institution a small balance of $6,375.25.

The average number of convicts for the year has been 667, which is 126 greater than the preceding year.

There were but 31 more white convicts at the end of the past fiscal year than there were five years ago, whilst the number of black prisoners has been more than quadrupled within the same period, and nearly doubled within the last two years.

Additional accommodations are still urged as indispensable to the pressing wants of the Institution.

The report of the Directors is so clear and satisfactory, that I deem it unnecessary to say more than to express my cordial concurrence in all the recommendations which have been brought to your attention.

The appropriation of $25,000 to give increased accommodations by the erection of additional buildings, has been judiciously and economically expended, and has afforded much relief. The Institution, however, is cramped in its means of usefulness for the want of facilities which, I fear, can never be looked for under the present plan.

At the session of 1867, I suggested the appointment of a committee to examine into the condition of the prisoners, and to present for pardon such as in their judgment, after careful examination, could be safely recommended to the Executive clemency. In almost every instance, where releases took place, under the recommendation of the Legislative Committee, I have reason to believe that the ends of justice have been met. Numbers are now serving out sentences of greater or less severity who might be alike restored to their liberty without injury to the public morals, and in many cases for very trivial offences. I would renew the recommendation for a similar committee.

Valuable assistance has been afforded me in the just exercise of the pardoning power by the present Board of Directors of the Institution, who have made themselves thoroughly acquainted with the facts in almost every individual case. Their recommendations have in almost every instance met my approval, and in no single case has a prisoner so recommended and pardoned been returned upon the Institution.

The abridgement of the term of service of convicts, whose conduct has been exemplary, as a reward for the faithful observance of the rules of the Institution, is again urged upon your attention. It is believed to be a most valuable auxiliary in prison discipline and the work of reform, and has been attended with the best results wherever it has been introduced.

I have received an urgent appeal from the foreman of the Grand Jury for Baltimore city, setting forth the pressing need of some suitable place for the reformation of juvenile delinquents of the colored race. The city swarms with offenders of this class, and while the white boy is punished by confinement in the House of Refuge for a term of years, or until his reformation is secured, the Negro, after a short imprisonment in jail, is permitted to go free, only to become again a burthen upon the community. I am informed that there were thirty Negro boys to one white arraigned before the present Grand Jury for petty larceny. Some relief should be afforded to meet this evil.

INTERNAL IMPROVEMENTS.

The Baltimore and Ohio Rail Road Company continues to make large and satisfactory returns to the Treasury. The last report of the operations and present condition of that great work, shows a degree of prosperity not surpassed by any similar work in this country. During the past year, a branch of that road has been completed and opened to Hagerstown, promising important advantages to that rich and valuable section of our State. A contract has been made, within a few weeks past, for a perpetual lease of the independent Branch Road from Harper's Ferry to Winchester, furnishing a most valuable connection with the Valley of Virginia. With the same line extended to Strasburg, too much importance cannot be attached to this valuable acquisition. The Central Ohio Road is already beginning to show decided evidences of improvement, under the lease made with the Baltimore and Ohio Rail Road Company; and the Pittsburg and Connellsville Road, so long retarded by adverse legislation, may be expected, at no distant day, to pour its tribute into the lap of our chief commercial emporium.

The line of steamers proposed to be run between the City of Baltimore and Bremen, will be in operation during the coming spring, and will work in connection with the Baltimore and Ohio Rail Road. A large influx of foreign emigrants may be expected by this line, as soon as it shall be in readiness to commence business.

The Chesapeake and Ohio Canal has been maintained in good working order, and shows a satisfactory improvement

in its general trade. It seems to be confidently anticipated, and not without reason, that the handsome increase in her resources will be sustained, and that still more encouraging prospects may be expected in the future.

The Northern Central Railway Company has paid into the Treasury, during the past year, $90,000, and the Tide Water Canal Company, $60,000. The Annapolis and Elk Ridge Rail Road Company have submitted their report, without material change in the condition of their finances.

NEGRO SUFFRAGE AND NEGRO EQUALITY—TERRITORIAL GOVERNMENT FOR MARYLAND.

The impracticability of removing the barriers which, since the origin of this Government, have separated the white and colored races, is becoming every day more and more a fixed conclusion in the minds of the people. The natural repugnance to amalgamation, which existed almost universally before the breaking out of the war, is not in the least modified by the extraordinary efforts, backed by every device of power and intimidation, which have been resorted to, to give fictitious prominence to the Negro character; his capacity for development even beyond that of the white race, and his claim to stand on equal ground with the Anglo-Saxon, who founded this Government. The white man can never be educated to believe that the Negro is his equal, nor can he be persuaded, unless warped in his heretofore fixed impressions, that the two races can be brought together in political or social fraternization, upon terms of equality, without degradation to his own. I speak of facts as they are presented to us by events daily transpiring. The result of the late elections fully sustains the truth of this assertion. In every part of the country, the masses of the people are believed to be united in their opposition to amalgamation and Negro equality. The instincts of nature and the promptings of a deep rooted and settled conviction, have proved the utter hopelessness of accomplishing by force what reason has failed to make apparent; and no verdict has been more conclusively made up by the American People, than the exclusion of the Negro, at no distant day, from all participation in the governmental control and management of this country. In the early stages of the war, Mr. Lincoln recognized this principle, in his effort to provide a home and a country, to which emigration might be directed, and the black race properly cared for, under institutions of their own. But this purpose was soon thwarted by fanaticism, directed in the interest of party, on the one hand, and a thirst for speculation, looking to individual profit, on the other. The Negro was thenceforward the fruitful source of discord and agitation.

The Freedmen's Bureau, with its army of retainers, backed by the Federal power, resulted as a consequence of this failure of Mr. Lincoln's plan of voluntary emigration. Under its bold and persistent teachings, in the lead of an amiable but weak man, the public Treasury was depleted by enormous and wasteful expenditures, producing no compensating return; the Negro race, supported at the public expense, became demoralized and defiant, and the danger to the country from the presence of this formidable element, was more imminent and threatening than at any former period, and so continues to this day.

Our obligation to clothe the Negro with the full privileges of citizenship cannot be claimed upon any reasonable ground, either of justice or humanity. "Equality before the Law" and "Manhood Suffrage," are phrases, in no wise applicable to us whose misfortune it has been to deal with a distinct and peculiar people, whose intrusion into our midst was the result of agencies which imposed no obligation beyond that which affected the rights of person and property, which the Negro is now enjoying to the fullest extent under our laws. This Government was never intended by its founders to be shared by the African race; it was no part of our compact of Union. It was a white man's government exclusively. The liberty to exercise the right of suffrage and to hold office was a function of the Government intended to be parted with or not, as the people in the aggregate might determine, in the mode pointed out in their organic law. The Negro was under no restraint after the Proclamation of Emancipation, to remain a single moment upon our soil, under the guidance of Institutions which he did not approve. His freedom was in his own hands. He could enjoy every privilege of citizenship but the right to vote and hold office, which was not recognized as vested and inherent; and it was for him to decide whether it was agreeable to submit to the restriction thus imposed, or to seek these privileges elsewhere. It was no reflection upon us, that we claimed to exercise this power of exclusion, involving in so large a degree, our political safety and prosperity as a people.

Maryland has watched with intense anxiety, from the commencement of the war, this effort of extreme men to confer political rights upon the Negro, within her borders. While other States approached the subject as one of remote or contingent interest, she viewed it in its more direct application to her own domestic condition, involving her social and political existence. Situated upon the borders of the District of Columbia, she could not witness without concern, the active tide of Negro immigration, daily and hourly flowing in upon her from that central rendezvous; and with one-third of her population already of the same class and complexion, it seemed by no means extravagant or improbable, with the right of

suffrage secured to the Negro, that the State of Maryland might not share the unhappy fate of her sisters of the South.

At no time have we recognized the expediency or justice of qualified or universal suffrage, as attaching to a race distinct in its natural characteristics, and having no paramount claim to be admitted to a participation in our governmental affairs. The situation of Maryland has been one of peril, from the firmness with which she has maintained this principle, and thwarted the introduction of the Negro power to interfere in, or shape her domestic policy. The punishment which was attempted to be visited upon her, in the threatened subversion of her government, was due mainly to her uniform repudiation of this cardinal feature of the radical platform. Denied the existence of a Republican form of Government, she was more than once threatened with military supervision, and an effort made to place her in the category of revolted States. This movement led by citizens of Maryland in the interest of the revolutionary wing of the radical party, was only arrested by the indignant rebuke which the people have administered to them in the late elections.

But the programme which had been attempted to be forced upon Maryland had already, under the operation of the military bill, seized upon ten of the Southern States, and the untutored African, hardly able to understand the meaning or use of the ballot, led by itinerant adventurers and fanatics, was charged with the responsible duty of reorganizing their governments, and at the same time securing his own power and supremacy in the future. How faithfully the work has been performed, so far as it has progressed, may be inferred from the present degraded condition of our Southern brethren. The picture is too revolting to be viewed without emotion by every true lover of free institutions. The American people cannot fail, sooner or later, to visit with censure and rebuke the revolutionary leaders, who in violation of the plainest guarantees secured by the Constituion, and the sacred trust reposed in them, have brought so much odium and discredit upon the country.

The sad condition of the Southern States, at this moment, under Negro domination, forced upon them by agents of the Federal power, will present a grave subject for future adjustment, when the Constitution shall be once more recognized as the Supreme law of the land. How far State Constitutions thus formed, will stand the test of judicial scrutiny, must be determined by the proper tribunals, when calmer and wiser councils shall prevail, and our beloved country relieved from the restraints under which she is now suffering.

The Constitution provides that every State shall be guaranteed a Republican form of Government. Among those who sanctioned this fundamental principle was the State of

Maryland. She was one of the high contracting parties to this compact, under which she has so happily lived and prospered. The Federal Union, as it came from the hands of the Convention, was not absolute and unlimited in its powers. It was not intended to be independent of the will of the people, from whom all its powers were derived. The State of Maryland never would have entered into this compact if her act had been construed as surrendering all power into the hands of an irresponsible, consolidated oligarchy. Her State Government was a subsisting institution at the period of the adoption of the Federal Constitution. It was endorsed by the men of '89 as Republican in form. She fought her battles to perpetuate its features. It has undergone no material change since, that could effect its Republican character. No State, or combination of States, had any right to make a Constitution for Maryland. This high prerogative was left with her own people when the Federal Union was established. It was among the reserved rights which the people never designed to part with. The assumption of this power by Congress would have been the subversion of the most sacred principle of Republican Government which the Radical party profess to have so much at heart, and would have ended in its decay and final dissolution. Maryland is not more obnoxious to censure than her sister States in the exercise of her legitimate State powers. She has been charged with inequality in the apportionment of her representation, and with discriminations against the Negro race in withholding from them the right of suffrage. Do these justify the interference of Congress and the violent breaking up of her government? The right of a State to regulate her domestic affairs, and to control the privilege of suffrage has never been questioned until this new era. But has the Federal Government conformed in all respects to the required standard? Is her representation in the Senate of the United States equal? Is her bill subjecting ten States to military control, suspending the writ of *habeas corpus* in time of profound peace, and blotting from existence every semblance of civil authority, Republican in principle? Is the disfranchisement of the white race, and the transfer of the whole South to the control of the Negro, virtually throwing the balance of power into his hands, and neutralizing by a minority of Negro voters, the great States of the North, Republican in form or principle? But how is it with our sister States? Are they so perfect or free from defects so purely Republican, as to confine this movement to the few Border States, who have heretofore escaped the fury of this ultra party? These schemes of unbridled usurpation have reached their point of culmination. No party can long survive such efforts to retain power. The struggle for Negro supremacy in this country must end in defeat. It would be

lamentable indeed, if, after four years of war and desolation unsurpassed in the world's history, the American people should find themselves, embarked at this most critical juncture, in a fruitless strife to set aside the constitutional guarantees for which they have been struggling, and even to blot out the existence of States, in an effort to throw the balance of power, in the future working of our system, into the hands of the African race.

The change which has been wrought by the verdict of the people in the late elections, certain to be followed by more overwhelming expressions of the public sentiment, will enable us to deal more advisedly hereafter with this Negro issue; and will point to enlarged educational facilities, and the security of person and property, in lieu of amalgamation and forced equality with the white race, as the only privileges which in justice to themselves, as well as the peaceful working of our system, can be advantageously conferred upon the Negro race. So soon as this principle is fairly recognized, there will be an end of strife and discord and not before. The Negro, no longer sustained and pampered by the Freedmen's Bureau, withdrawn from the exciting field of politics, and thrown upon his own resources, will glide naturally into habits of thrift and industry; and the wiping out of States by the total subversion of their local governments, in the interest of a Radical faction, to retain power by the use of the Negro, will no longer startle the country by its boldness and effrontery. The people will be at once relieved, and the Negro will assume the only status which he can be permitted to occupy, in safety to himself and the Government, which of his own free will he has chosen to adopt. Any other line of policy will only recoil upon those who, turning a deaf ear to the teachings of experience and practical statesmanship, may persist in keeping alive a fruitless agitation.

It cannot be denied that this Government was fast approaching, if it had not already reached, the verge of anarchy. No man, whether in a public or private position, felt secure in his person or his property. The Constitution was treated with contempt by many in authority, as no longer furnishing the guide of official action. The only power over corruption was held in check and neutralized by the Tenure of Office Bill. The public offices swarmed with men who recognized no head, and boasted of their freedom from accountability, under the protecting wing of Congress; immense armies were held in commission, whose power was used to force Negro suffrage and Negro equality upon a prostrate people, and to subordinate the white to the colored race; States were upon the eve of being seized upon and reconstructed, who had fought the battles of the Revolution, and borne a prominent part in the formation of the very

Union, which was appealed to, to dispossess the m of ther functions; an immense debt, a large proportion, the result of the vilest frauds that had ever disgraced a nation, pressed upon the people; corruption stalked unbridled over the land; the prospect of reconstruction, and a return to Union and brotherhood, under the withering effect of an unmixed military despotism, was more remote than ever; the industrial interests of the country were almost at a stand still, and the laboring man was paid for his work in a currency forty per cent. below the standard of gold. Such was the picture, when, in the last crowning effort to drag the Executive from his high office, and thus perpetuate the power which had been so long wielded by usurpation and violence, the voice of the people proclaimed, that the last triumph of extreme radicalism had been reached, and that henceforward, the Constitution would be looked to as the only safeguard of our free institutions.

A NEW GOVERNMENT HOUSE.

I deem it my duty to call your attention to the necessity of providing accommodation for the Executive of the State. The Constitution has fixed his residence at Annapolis, and the present Executive Mansion passes into the hands of the Government on and after the 1st of January, 1869. The subject was originally referred to the Governor, Comptroller and Treasurer, and afterwards reported upon by a committee of the Legislature, in a bill which failed to receive the sanction of that body. It will be necessary to take early action upon this subject, and I would respectfully recommend the appointment of a joint select committee, to suggest such legislation as may be deemed most advisable, in view of the short period which must elapse before the present Executive Mansion will pass into other hands.

At the last session of the General Assembly, prior to the adoption of the new Constitution, it was the pleasure of the representatives of the people, to confer upon me a high Federal appointment, under circumstances which might well have gratified the pride of a public officer, standing in the relation that I did to the people of the State of Maryland. The defiant march of extreme radicalism was then going forward, with its tramp of jubilant exultation, and mysterious outgivings of an approaching finale, which was to inaugurate military rule and Negro suffrage in our State; hurl from their places every friend of constitutional government, and bring back the reign of terror from which we had so recently emerged. Standing at the helm of this

good old State, at a period of so much anxiety, the people naturally looked to their Executive for sympathy and counsel, in the impending crisis. I had no ambition, as a loyal citizen, but to maintain constitutional liberty, in all proper measures, whether of National or State policy—to serve my State, and to share the fortunes of her people. Throwing down the commission with which I had been honored, I have remained at my post. Hunted with a venom to which the darkest ages of barbarism present no parallel, I have gone on—I trust without faltering—to watch over your interests; to faithfully execute your laws, and to defend your rights as citizens of this great confederacy. In looking back upon the past, with its dark record of outrage and insult, I have no regrets to express, as to any consequences to myself, whether personally or politically; in turning my eyes to the brighter prospects of the future, it is a source of profound satisfaction, that the credit will be accorded hereafter, to the People of Maryland, for the *first wave of reaction*, which, put in motion by their efforts, has since overwhelmed in a general deluge, the tottering fabric of radicalism, both here and elsewhere, and carried joy and gladness to the remotest confines of the Republic.

THOMAS SWANN.